

Public Agenda Item #8c

Policies and Procedures:

Proposed Hedge Fund Annual Tactical Plan for Fiscal Year 2017

August 16, 2016

Robert C. Lee III, CFA, CHP, Director of Hedge Funds

Anthony Curtiss, CFA, Hedge Fund Portfolio Manager

Hedge Fund Program: Tactical Plan FY 2017



- **Risk-Reducing**
 - Absolute Return Portfolio
- **Return-Seeking**
 - Directional Growth Portfolio
- **Other Hedge Fund Allocations**

Hedge Fund Program: Tactical Plan FY 2017

Absolute Return Portfolio

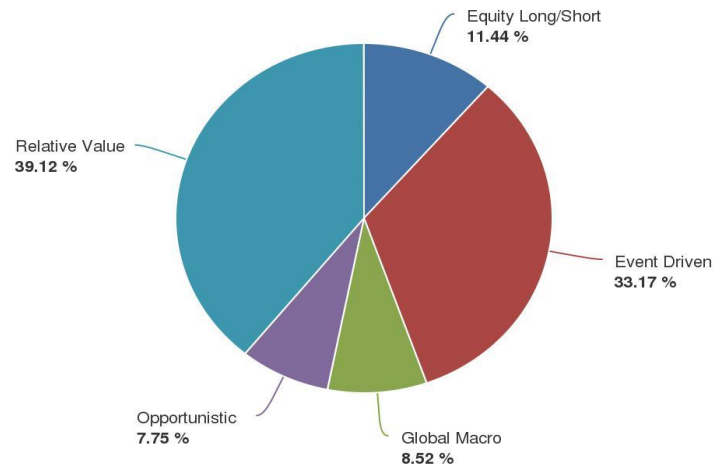


Strategy Allocations

Strategy Allocations	
Relative Value	
Minimum	20%
Maximum	60%
Event Driven	
Minimum	0%
Maximum	60%
Equity Long/Short	
Minimum	0%
Maximum	30%
Global Macro	
Minimum	10%
Maximum	40%
Opportunistic	
Minimum	0%
Maximum	40%

Strategy Exposures - Hedge Funds - Allocation, %

May-2016



Hedge Fund Program: Tactical Plan FY 2017

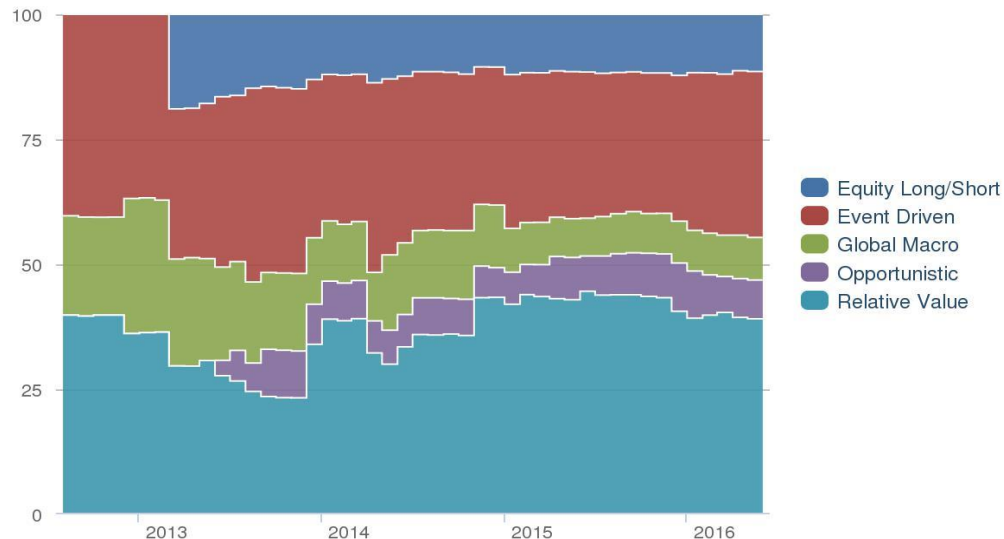
Absolute Return Portfolio



- Strategy exposures change with market environment
- Largest strategy exposures are Relative Value and Event Driven
- Current focus on Global Macro and Opportunistic strategies

Strategy Exposures - Hedge Funds - Allocation, %

August-2012 to May-2016



Hedge Fund Program: Tactical Plan FY 2017

Absolute Return Portfolio



- The Absolute Return Portfolio has reached its target allocation of 5% of Trust assets
- Maintain target allocation while rebalancing and replacing managers within the portfolio as necessary

Hedge Fund Program: Tactical Plan FY 2017

Directional Growth Portfolio



- As of May 31, 2016, the Directional Growth Portfolio is comprised of a single investment.
- The portfolio remains 100% Equity Long/Short.
- Focus remains on allocating to extension strategies (i.e. 130/30).
- Other strategies will be considered.

Hedge Fund Program: Tactical Plan FY 2017



Other Hedge Funds

- No additional allocations are expected for the Global Credit portfolio.
- No additional allocations are expected for the Real Assets portfolio.
- Initial allocations may be considered:
 - Special Situations

Questions?